

DEVELOPMENT



NCR relocated from Dayton, Ohio, to Duluth in 2009. Now, as NCR plans to move to Midtown in 2017, Gwinnett Place officials hope to help counteract the expected loss of jobs. BOB ANDRES / B.ANDRES@AJC.COM

Adding incentives may bring more jobs

Gwinnett Place applying to enlarge opportunity zone.

By Arielle Kass
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Gwinnett County could land more jobs if an area that offers tax incentives to businesses is expanded.

The application to enlarge an opportunity zone near Gwinnett Place Mall will be considered by the state. Such a zone allows companies to get the state's highest-possible tax credit for creating new jobs.

The request comes as NCR prepares to move its corporate headquarters from Satellite Boulevard to Midtown in 2017, said Joe Allen, executive director of the Gwinnett Place Community Improvement District, which made the application. The Gwinnett Place area has struggled with pervasive poverty and falling property

values, even while the county's overall values have risen in that period.

It is also contending with high office vacancy rates. "Gwinnett County's office market, once competitive with Fulton County and the Atlanta metropolitan area, has fallen increasingly behind in recent years, and now shows average

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vacancies 16% higher than the regional average," the opportunity zone application to the state Department of Community Affairs said.

Allen said the local opportunity zone, first approved in 2012, has already helped bring more than 1,000 jobs back to the area. Opportunity zones allow business owners a \$3,500 tax credit the highest in the state — when at least two jobs are created.

By applying to expand the opportunity zone now, while NCR is still in the area, Allen said he is being proactive to help bring more jobs in as the county is set to lose thousands.

"A lot of businesses want to go closer to downtown," he said. "The northeast corridor is struggling, to a great degree."

Gwinnett County chairman Charlotte Nash said she "obviously" supported the

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COMPANIES

Aaron's core business struggles

But company's profit sees jump in 2Q over same period last year.

By Leon Stafford
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Rent-to-own giant Aaron's continues to struggle with its core business, despite a stronger overall second quarter earnings performance.

Same-store revenue and foot traffic at company-owned stores fell 3.9 percent and 3.7 percent, respectively, as Aaron's customers, pinched by the economy even as it recovers, are not spending. Neil Saunders, CEO of re-

tail research firm Conlumino, said, "The continued softness in the core business is disappointing given that Aaron's has now suffered a fairly long run period of decline and, on the way, has tried to take steps to remedy the situation."

"This includes improving store layouts and customer service, as well as making marketing campaigns more effective. These initiatives do not appear, as of yet, to be bearing much fruit."

Aaron's profit, however, jumped from \$8.5 million in the second quarter of 2014 to \$40.5 million during the same period this year — mostly on the health of its Progressive Finance division. Progress-

sive, which Aaron's bought in April 2014, had \$255.9 million in revenue in the second quarter of 2015 and \$507.6 million for the first six months of this year. Overall Aaron's revenue ticked up more than 16 percent to \$769 million.

"We're disappointed that core revenues were not stronger in the quarter but remain optimistic that recent initiatives will drive better year-over-year comps in the future," Aaron's CEO John Robinson said in a statement.

Robinson was installed in November 2014 to succeed former CEO Ron Allen, a one-time Delta Air Lines CEO who'd been Aaron's top executive since February 2012.

DELTA

Feds investigate airline prices after train crash

Delta says it didn't increase prices and lowered some fares.

By Kelly Yamanouchi
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The U.S. Department of Transportation has launched a price-gouging investigation looking at air fares in the wake of the deadly derailment of an Amtrak train in Philadelphia in May.

Atlanta-based Delta Air Lines said Friday it did not increase fares after the crash and instead lowered some prices.

The DOT said it has sent inquiries to Delta, American, United, Southwest and JetBlue seeking pricing information in response to consumer complaints about "irregular fares" after the May 12 Amtrak crash.

"The idea that any business

would seek to take advantage of stranded rail passengers in the wake of such a tragic event is unacceptable," U.S. Transportation Secretary Anthony Foxx said in a written statement Friday. He added that the department will "pursue a thorough investigation" of the complaints.

In response, Delta said it "took steps to ensure affected travelers could affordably and conveniently reach their destinations."

Delta said it did not raise fares after the crash, and instead, "Delta lowered its highest Shuttle prices by nearly 50 percent, to about \$300 each way, for travel between New York, Boston and Washington, D.C."

Delta also said it honored existing Amtrak tickets for travel between the three cities, waived change fees on those Delta Shuttle routes and added flights and seats.

CEO: Cuba won't be a 'game-changer'

Delta exec expects flights to island to be like any other beach.

By Kelly Yamanouchi
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A beach is a beach, says Delta Air Lines CEO Richard Anderson.

Atlanta-based Delta wants to start scheduled flights to Cuba when allowed, but Anderson told employees this week that the carrier doesn't see it as that big a deal strategically.

"I don't think it's going to be a game changer," Anderson said in a recorded message to workers.

"Cuba's going to be competing with Cayman Islands and Punta Cuna and St. Thomas and St. John and St. Martin and St. Barts, and we can go all the way down the list of all the sunny, white sand, blue water beaches throughout the Caribbean."

Anderson's statement came after United and American issued statements earlier in the week on the reopening of the U.S. and Cuban embassies,

which could eventually lead to renewed travel and commerce.

American CEO Doug Parker said in a written statement that "we stand ready to begin scheduled service when it's allowed," and United said "we look forward to continuing our constructive dialogue with both governments about providing our customers service between our two nations, subject to government approval."

Delta served Cuba from 1953 to 1961, and more recently operated charter flights to Havana in 2011 and 2012, including from Atlanta, before discontinuing the service due to flagging demand amid travel restrictions.

"We're going to participate in the flying to Cuba... I think it'll be a very good thing for Delta to have service to Havana from Atlanta," Anderson said. "But it's not going to be groundbreaking... Havana will be very much like a domestic destination being that it's only 90 miles from the mainland of the U.S."

Anderson said he'd rather focus on adding service to China to grow international business.

COMING SUNDAY

Crowded planes. Roller coaster airfares. Is it collusion or competition? As the Justice Department investigates the nation's four largest airlines, an important question lies at the heart of the matter: How much control do consumers really have? Sunday, the AJC breaks down the issues raised by the federal probe, as well as why the distinction between standard business practices and illegal activity could be a tough one to make.

AT&T-DirecTV deal approved

FCC gives OK that will lead to creation of major media force.

By Emily Steel
New York Times News Service

Federal regulators have approved AT&T's \$48.5 billion takeover of the satellite company DirecTV, creating a new major force on the country's media landscape.

The Federal Communications Commission announced Friday that it had granted approval of the merger, with conditions. Earlier this week, the Justice Department announced that it would not challenge the acquisition. The regulators were reviewing whether the deal would serve the public interest or harm competition.

The combination of AT&T-DirecTV is the largest media merger so far this year and will create the country's largest television distributor with

about 26 million subscribers.

Approval came with a number of conditions, which regulators said were aimed at addressing the potential harms that come with the combination of AT&T, one of the country's largest telephone and Internet providers, and DirecTV, the country's largest satellite provider. Tom Wheeler, chairman of the FCC, said this week that the conditions also were meant to introduce more competition into broadband Internet market.

Atlanta-based Cox Communications said it "successfully competes with AT&T and DirecTV today and will continue to do so once they combine. In this unprecedented time of M&A activity in the industry, as a reminder, Cox is not for sale and we'll continue to explore any potential growth opportunities that align with our business objectives." Cox is a unit of Cox Enterprises, which also owns The Atlanta Journal-Constitution.

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application and wanted to focus energy on areas where there is an opportunity for improvement.

The expansion would take in seven office buildings on Satellite Boulevard that have lost value and continue to have high vacancy rates. Those buildings are more than a third empty and would be more than half empty when NCR goes. The regional vacancy rate for similar buildings is 14 percent.

"While signs of economic progress are visible throughout the area, the Gwinnett Place area continues to struggle," Nash wrote in a letter of support for the application. "As the second

most populous county in Georgia, Gwinnett County's role in the overall economic health of both Metro Atlanta and the State of Georgia cannot be overstated. These buildings represent one of Gwinnett County's most important and strategic business districts, and their well-being is closely tied to the state's economic health."

In addition to the application, the community improvement district is planning more trails and other upgrades that Allen hopes will make the Gwinnett Place area more desirable. If the offices fill up, he said, more restaurants, hotels and other services will follow.

"The opportunity zone is not our silver bullet," Allen said. "It's a piece of the puzzle to our overall strategy."

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ording to the statement. Da-